

cc: Tom  
10270032

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August 11, 2006

Susan M. White  
Department of Natural Resources  
1594 West Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Red Dome Inc.'s mining plan and your letter dated July 7, 2006

Dear Ms. White;

Please consider this Red Dome Inc.'s response to your letter of July 7, 2006. Your letter is frustrating and confusing to us. It appears to be out of harmony with the file, past procedures and meetings of the mind in this long effort to mutually arrive at a workable plan from both parties perspective. It appears to us to be a rehash of matters previously requested, discussed and submitted.

At the meeting on April 28, 2006, the sufficiency of the plan was discussed at length between Red Dome agents and officers of the division. Following the discussion Mr. Tom Munson unequivocally stated that the plan and Red Dome's submissions were adequate and "we are done". Then following that meeting and discussions, the *Large Mine Reclamation Contract* was signed by Gordon D. Griffin as principal officer of Red Dome and by Mr. John R. Baza, Director. This included approval of the surety bond as hammered out between the bank and your department. The clear thrust of this and past procedure is that the plan is done and binding, as written, on both parties, until the division is notified of a change or modification as provided by the rules. Please be advised that Red Dome takes this exact position.

Still in an effort to be mutually cooperative, Lee Miller and I have reviewed the file and have attempted to reconcile your request with our file and understanding of past correspondence and verbal discussions at the mine site and at meetings as follows.

*R647-4-104 Operator's Surface and Mineral Ownership;*

*"The Plan indicates that the land ownership is BLM but Red Dome owns the mineral, is this correct?"* **Yes. Red Dome owns the Red Dome Placer Mining Claims located on the**

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**BLM lands.**

*R647-4-105 - Maps, Drawings and Photographs*

*105.1 Topographic base map, boundaries, pre-act disturbance*

*The base map (Revision #1) contained in the plan shows acreage for each of the different areas around the site. The main pit area is shown as covering 53 acres. Is the area to be bonded the entire 53 acres? **Yes.***

*A legend should be added to the base map indicating what the significance of the shaded areas. **This was done by E mail from Lee Miller about March, 2006.***

*Acreage totals are not shown for all shaded areas on the map. Please indicate acreage totals for all these areas. **See the E mail referred to above that gives acreages.***

*The Plan indicates that a total area of 64 acres will be permitted for this site. Please place an outline of this area on the maps contained in the Plan. Red Dome believes this was done in prior revision of the maps, outlined in yellow line by Mr. Wall, Wall engineering.*

*On Exhibit 2-c some areas are shown as reclaimed and an additional area is shown as a part of the mining operation. Please indicate the acreages of the area shown as mining operations, reclaimed land, and areas cleaning up to be reclaimed. **This was done in prior revisions of the maps, and Red Dome can not further determine what is necessary.***

*105.2 Surface facilities map.*

*A map of a larger scale than 1" = 1000' should be included with the application, the map is needed to show the surface facilities. This map should show the location of the crushing and screening area, conveyors, the location of all stockpiles, location of the well, power lines, office, roads to be reclaimed, etc. The suggested scale of the map is 1" = 100'. The acreage listing for the mine indicates that there will be 50 acres of mining, five acres of ore/product stockpiles, four acres of roads (other than public roads) and five acres of on-site processing facilities. Please show an outline of these areas on the surface facilities map. All maps that Red Dome has sent from Wall Engineering is 1" = 300 feet, and within the defined recommendations. These areas have been delineated on prior maps and Red Dome can not further determine what is necessary.*

*105.3 No response necessary.*

*R647-4-106 - Operation Plan*

*106.5 Existing soil types, location, amount*

*The Soils report submitted show that while soils are limited on site, existing soils*

would be suitable for reclamation. Please provide plans to salvage all available soil as mining progresses into undisturbed areas. As demonstrated in the Plan, no soils exist in the mining area which is all within prior disturbed areas where all soils have been used or consumed in the process. There are no soils within the planned area to salvage. This fact has been repeatedly observed by inspection of the area by the department's personnel.

*106.6 Plan for protecting and redeposition soils*

*Please describe how soils will be salvaged, stockpiled and protected so that they are available for reclamation. At a minimum, soil stockpiles should be seeded and bermed. Describe how soil materials will be used for reclamation, including average depth of re-application. As stated above this request can not be answered because there are no soils with in planned area to be mined.*

*R647-4-107 - Operations Practices*

*107.4 Deleterious material safety stored or removed*

*Containment areas placed beneath fuel tanks should be able to contain a minimum of 110% of the capacity of the tanks located within the area. All containment areas placed beneath fuel tanks are capable of containing a minimum of 110% or more of the capacity of the tanks located within the area. This requirement is covered by MSHA safety requirements and MSHA has examined the containment areas and passed the same.*

*107.5 Suitable soils removed and stored*

*Please refer to comments under R647-4-106.5. Please refer to response above.*

*R647-4-110 - Reclamation Plan*

*110.2 Roads, highwalls, slopes, drainages, pits, etc. , reclaimed*

*The plan indicates that the metal shop building will be torn down and removed from the site upon closure. Please furnish a description of this building, length, width, & height, depth of concrete on the floor and reinforcement ( if any). 80 feet long by 60 feet wide, by 25 feet high, with 4 inch concrete floor with no reinforcement.*

*There are other buildings, a well and power lines sccociated with this mine. What will be the disposition of these facilities? Unless these items have a post-mine function, they will need to be reclaimed during final closure. AS explained several times before, the other building is on private property, i.e. not owned by the BLM or any other government entity, and will have post mine function at any time the mine may be finally closed, as a business structure in connection with the private property. The well is also on private property i.e. not owned by the BLM or any other government entity, and will have post mine function at any time the mine may be finally closed, as a business structure in*

connection with the private property. The power lines belong to Flowell Electric Association who must have erected the lines prior to any claimed regulations under the Act by authority unknown to Red Dome. Red Dome has no control, or authority to remove, reclaim, or change in any manner the said electric lines.

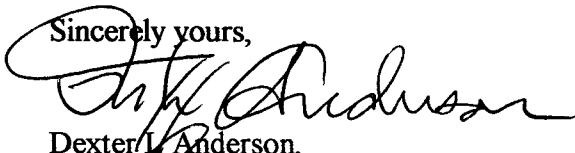
*110.5 Revegetation planting program*

*Please provide details of the revegetation plan. At a minimum, describe seedbed preparation, soil amendments to be used, Seeding method(s) to be employed, and timing (mid - October through November preferred seeding time). It is suggested that ½ pound per acre of forage kochia be added to the proposed seed mix and 10 ton/acre of composed manure, wood chips or biosolids. Red Dome has requested a variance from reseeding the mined areas because there is no practical need to do so as the surface of the area left after mining in the planned area will not support any vegetations. Red Dome has repeatedly discussed this point with personnel who have visited the site where the issue was discussed. It has been agreed and promoted in the plan that Red Dome would prepare the site on reclamation with heavy equipment in a manner approved by the agency and seeded at the recommended rate and mix of seed at the approved and recommended time, though there is little chance any would survive as was the case in an area previously reseeded by Red Dome. Red Dome takes the position that applying 10 tons of composted manure, wood chips or biosolids per acre is unreasonable under any circumstances and would be an effort to make the area produce vegetation it would never produce naturally, contrary to the rules.*

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*The division acknowledges tht a surety bond for the reclamation of the site is presently being held by the Division. We are unable to ascertain whether the bond amount will be sufficient until the details of this plan have been completed. An evaluation of the adequacy of this bond will be made at that time. Red Dome is of the opinion that the bond in place is more that adequate and does not agree it may not be.*

Sincerely yours,



Dexter L. Anderson,  
c. Fillmore BLM office